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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/631,409	08/03/2000	Trent J. Brundage	60257	9599
23735	7590	01/25/2005	EXAMINER	
DIGIMARC CORPORATION 9405 SW GEMINI DRIVE BEAVERTON, OR 97008			HEWITT II, CALVIN L	
		ART UNIT		PAPER NUMBER
		3621		

DATE MAILED: 01/25/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/631,409	BRUNDAGE ET AL.	
	Examiner	Art Unit	
	Calvin L Hewitt II	3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 12 September 2003.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 10-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 10-23 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
 Paper No(s)/Mail Date _____.
- 4) Interview Summary (PTO-413)
 Paper No(s)/Mail Date. _____.
- 5) Notice of Informal Patent Application (PTO-152)
 6) Other: _____.

Status of Claims

1. Claims 10-23 have been examined.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 10-23 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 10 and 15-17 are nonstatutory as they are directed to data stored on a medium. Specifically, the indicia is "nonfunctional descriptive material" (i.e. music, literary works and a compilation or mere arrangement of data) (MPEP 2106 IV B 1, "Nonstatutory subject matter"). Claim 17 recites a medium with a software program and although claim 17 recites processing and extracting this is performed with other instructions not necessarily stored on the medium (i.e. "or cooperates"). When nonfunctional descriptive material is recorded on some computer-readable medium, for example, it is not statutory since no requisite functionality is present to satisfy the practical application requirement. Merely claiming nonfunctional descriptive material stored in a computer-readable medium does not make it statutory. Such a result would exalt form over

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substance (*In re Sarkar*, 588 F.2d 1330, 1333, 200 USPQ 132, 137 (CCPA 1978)). Further, as Claims 10 and 15-17 do not disclose or use any technology, Applicant's claims do not fall within the technological arts. Claim 10, for example, recites "binary data". However, binary data is merely data represented in binary form (i.e. mere arrangement of data- MPEP 2106 IV B 1, "Nonstatutory subject matter"). Hence, the claimed invention does not promote the progress of science and the useful arts.

Claims 11-14 and 18-23 are also rejected as they depend from claims 10, 15 or 16.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 10-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Zhao et al., U.S. Patent No. 6,243,480.

As per claims 10-23, Zhao et al. teach a paper document (figures 2 and 3; column 3, lines 1-3; column 5, lines 40-48; column 6, lines 20-42) with machine readable indicia (figures 2 and 3; column 7, lines 10-38), wherein said data

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represents binary data and indicates an online computer address (i.e. identifier associated with an on-line computer address through a database record-column/line 19/65-20/7) associated with said invoice (column/line 11/48-12/32; column/line 13/35-14/2). Zhao et al. also teach an indicia in the form of a barcode or watermark (figures 2 and 3; column 7, lines 10-38). Regarding statements, invoices and checks, the system of Zhao et al. is directed to the authentication of printed and financial documents (column 10, lines 22-35) therefore, it would have been obvious to one of ordinary skill to apply the system of Zhao et al. to the authentication of invoices and the like in order to prevent fraud.

Conclusion

6. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Calvin Loyd Hewitt II whose telephone number is (703) 308-8057. The Examiner can normally be reached on Monday-Friday from 8:30 AM-5:00 PM.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, James P. Trammell, can be reached at (703) 305-9768.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
c/o Technology Center 2100

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Washington, D.C. 20231

or faxed to:

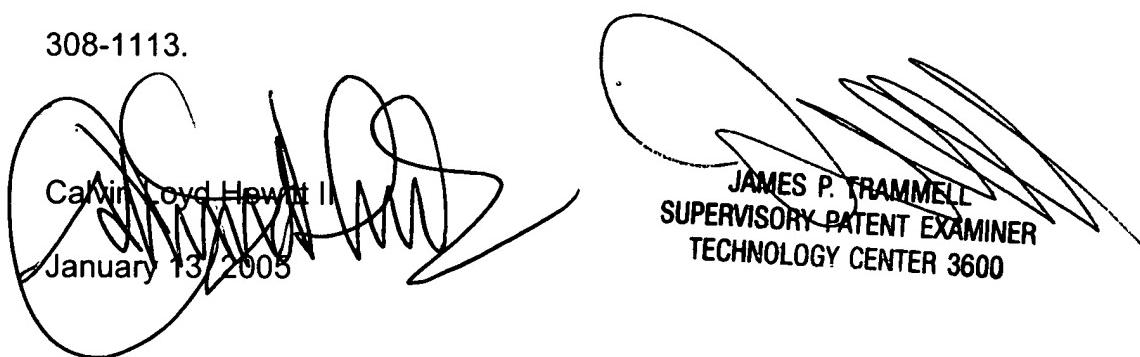
(703) 305-7687 (for formal communications intended for entry and
after-final communications),

or:

(703) 746-5532 (for informal or draft communications, please label
“PROPOSED” or “DRAFT”)

Hand-delivered responses should be brought to Crystal Park 5,
2451 Crystal Drive, 7th Floor Receptionist.

Any inquiry of a general nature or relating to the status of this application
should be directed to the Group receptionist whose telephone number is (703)
308-1113.



The image shows two handwritten signatures in black ink. The signature on the left is "Calvin Lloyd Hewitt I" and the date "January 13/2005". The signature on the right is "JAMES P. TRAMMELL". Below the signatures, there is a typed block of text: "JAMES P. TRAMMELL", "SUPERVISORY PATENT EXAMINER", and "TECHNOLOGY CENTER 3600".